

**FOR IMMEDIATE RELEASE: May 15, 2019**

**Village River Group, LLC  
205 6<sup>th</sup> Ave SE  
Aberdeen, SD 57401  
605-225-1712**

**VILLAGE RIVER GROUP RESPONSE TO TERMINATION NOTICE**

**Sioux Falls, South Dakota:** Village River Group, LLC has received a notice from the City of Sioux Falls of its request to terminate the development agreement and ground lease for the Village on the River project. Village River Group had spent a significant amount of time and resources updating the private development piece of the mixed-use parking ramp in downtown Sioux Falls to ensure that this project exceeds the requirements of the development agreement.

Village River Group had presented design modifications to the City of Sioux Falls last month and was told that the City was reviewing those changes for approval and that the City liked the changes and had no issues with them. The development agreement called for written notices of approval or denial for certain changes made to the private development plans. Village River Group did not receive any notice from the City of objections to or rejection of the proposed changes to the plan. The City also cancelled meetings which were scheduled with Village River Group and failed to reply to numerous calls and communications from Village River Group concerning the design modifications. After all the communication attempts to the city went unanswered; on May 14<sup>th</sup>, Village River Group received an e-mail containing a notice of termination letter.

Previously, the City notified Village River Group of alleged defaults under the development agreement. In response, Village River Group provided formal responses on three occasions indicating that it did not agree that a default existed and also provided details showing that the project would still be completed on time and as initially scheduled as per the development agreement.

Village River Group is very disappointed in the decision that was made by the City of Sioux Falls to terminate the development of an ideal \$45 million project in downtown Sioux Falls. This project would have brought in millions in real estate tax revenue, sales tax revenue, entertainment tax revenue, and downtown business improvement district revenue, and notably without the use of tax increment financing (TIF).

Village River Group served the City of Sioux Falls with legal documents today once again outlining its position on this matter. Because of the potential litigation arising from these events, we cannot provide further comment on the matter at this time.

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